

## Small School Support Grants and Merger Support Grants

### Small School Support Grants prior to July 1, 2019

Small School Support Grants as they have been provided under 16 V.S.A. § 4015 do not change in any way until Fiscal Year 2020 (the 2019–2020 academic year). Prior to July 1, 2015:

- The criteria that determine eligibility for Small School Support Grants do not change.
- The way in which a Small School Support Grant is calculated does not change.

### Annual, Perpetual Merger Support Grants

Beginning in Fiscal Year 2016, Small School Support Grants have the potential to automatically convert into annual Merger Support Grants.

#### Overview of Merger Support Grants

Small School Support Grants are (and always have been) based on combined size of the schools operated by a district and the number of grades operated. As a result, a district that is currently eligible to receive a Small School Support Grant might become ineligible if it merges with one or more other districts. If a school district would become ineligible for this reason, however, then the Small School Support Grant is transformed automatically into an annual Merger Support Grant.

#### Eligibility for Merger Support Grants

Two categories of districts are eligible for an annual Merger Support Grant:

##### Merged District

A newly merged district where at least one of the merging districts was eligible for a Small School Support Grant in the fiscal year two years prior to the fiscal year of merger, if the newly merged district has met eligibility requirements for:

- enhanced incentives under Act 46, Sec. 6, including being operational by 7/1/17; or
- incentives available to a Regional Education District (RED) or one of its three alternatives (union elementary district; side-by-side mergers; MUUSD), including receipt of final local voter approval by 7/1/17; or
- incentives available to a later merging district under Act 46, Sec. 7, including being operational by 7/1/19.

##### Joint Contract School

Two districts that do not merge, but that enter into a contract to operate a school jointly, if:

- the districts enter into the contract between 6/2/15 and 7/1/17; and
- at least one of the contracting districts was eligible for a Small School Support Grant in the fiscal year two years prior to the fiscal year in which the contract begins (*See* Act 46, Sec. 7(d)).

## Elements of a Merger Support Grant

### Grant Amount

The amount of the Merger Support Grant is equal to the total combined Small School Support Grants received by the merging district(s) in the fiscal year two years prior to the fiscal year of merger.

### Payment Term

The Merger Support Grant is paid yearly, in perpetuity – with the following exceptions:

- If the merged district closes the small school on which the Grant is based, then the Grant ceases.
- if the merged district closes the small school and consolidates it with another school in a new or renovated building, then the Grant continues annually for the life of the bond.

### Small School Support Grants on and after July 1, 2019

Beginning in Fiscal Year 2020, if a district's Small School Support Grant has not been converted into an annual Merger Support Grant through voluntarily merger, then the district will be eligible to receive a Small School Support Grant if both of the following two factors are met:

- The district operates a school that has an average grade size of 20 or fewer students; and
- The State Board of Education determines annually (based on metrics it will adopt and publish by 7/1/18) that the district is eligible for the Grant because of either:
  - the lengthy driving times or inhospitable routes to the nearest school with excess capacity;  
or
  - the academic excellence and operational efficiency of the small school, which is based upon consideration of the following factors:
    - the school's measurable success in providing a variety of high quality educational opportunities
    - the percentage of students in the school from economically deprived backgrounds and the student's measurable success in achieving positive outcomes
    - the school's high student-to-staff ratios; and
    - the district's participation in a merger study committee and submission of the committee's report to the State Board.

*Note: This document is provided for guidance only and does not have the force of law. See the underlying cited acts for more detail.*